

Message Text

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ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 NSAE-00 NSCE-00 SSO-00 INRE-00

PM-04 H-02 INR-07 L-03 NSC-05 PA-02 PRS-01 SP-02

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FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 6876

INFO AMEMBASSY WELLINGTON

USIA WASHDC

DOD

CINCPAC

AMCONSUL MELBOURNE

AMCONSUL SYDNEY

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CINCPAC FOR POLAD

31. QTE. CHECKS DONE BY THE AUSTRALIAN FINANCIAL REVIEW SHOW THAT MR. STALLINGS HAD AS HIS FRIENDS AND ASSOCIATES IN ADELAIDE BETWEEN 1971 AND 1974 LEADING MEMBERS OF WHAT IS NORMALLY KNOWN AS THE ADELAIDE ESTABLISHMENT.

33. QTE. THOSE CONTACTED YESTERDAY SAID THEY DID NOT KNOW MR. STALLINGS WORKED FOR THE CIA.

34. QTE. WHEN ASKED YESTERDAY BY THE AUSTRALIAN FINANCIAL REVIEW TO ANSWER QUESTIONS ABOUT THE ACTIVITIES OF FOREIGN INTELLIGENCE SERVICES IN AUSTRALIA, THE SECRETARY OF THE DEFENCE DEPARTMENT, SIR ARTHUR TANGE, SAID HE WOULD NOT ANSWER INQUIREIES.

35. QTE. INTELLIGENCE SOURCES IN AUSTRALIA SAY THAT THE AWARENESS OF WHOM MR. RICHARD STALLINGS WORKED FOR WAS CONFINED TO VERY FEW PEOPLE IN THE BUREAUCRACY. END QTE.

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EYM FULL TEXT OF FINANCIAL REVIEW EDITORIAL:

QTE. MR. ANTHONY'S INDISCRETION
PRIME MINISTER E.G. WHITLAM SMEARED THE NATIONAL COUNTRY
PARTY LEADER J.D. ANTHONY WITH MALICE AFORETHOUGHT IN PORT
AUGUSTA ON SUNDAY WHEN HE STATED THAT MR. ANTHONY HAD BEEN
ASSOCIATED WITH CIA MONEY.

37. QTE. IT WAS AN EXERCISE IN MUD SLINGING WITH JUST
ENOUGH SUBSTANCE IN THE DIRT THROWN TO PUT THE NCP INTO
A DEFENSIVE POSITION. THE TRUTH OF THIS OBSERVATION CAN
BE JUDGED FROM THE CHANGE IN TONE OF OUTRAGE ON THE PART
OF MR. ANTHONY ON SUNDAY NIGHT TO THE CAUTIOUS WORDS HE
WENT TO AIR WITH ON THE ABC YESTERDAY MORNING.

38. QTE. IN THE INTERIM PERIOD MR. ANTHONY HAD BEEN
ACQUAINTED WITH THE FACT THAT A SENIOR UNITED STATES
OFFICIAL WHO HAD RENTED HIS HOUSE 10 YEARS AGO AND WHO HAD
BECOME IN THE WORDS OF HIS WIFE INNER QTE. A FIRM FRIEND OF
THE FAMILY END INNER QTE WAS IN FACT AN OFFICIAL OF THE
CENTRAL INTELLIGENCE AGENCY.

39. QTE. MR. WHITLAM MAY OR MAY NOT HAVE SOME MORE
EVIDENCE TO TIE MR. ANTHONY TO THAT MAN'S ACTIVITIES IN
AUSTRALIA TODAY WHEN HE WILL DOUBTLESS BE QUESTIONED
IN PARLIAMENT ABOUT HIS CLAIMS.

40. QTE. GIVEN THE CURRENT NEAR HYSTERICAL POLITICAL
CLIMATE AND THE DETERMINATION OF BOTH SIDES TO BESMIRCH
THEIR OPPONENTS IT IS WORTHWHILE TO PUT A FEW NON-
PARTISAN OBSERVATIONS ON VIEW.

41. QTE. WE DO SO BECAUSE THIS NEWSPAPER HAS FOR SOME
MONTHS BEEN EXAMINING THE ACTIVITIES OF THE CIA IN
AUSTRALIA AND THEIR RELATIONS WITH MR. ANTHONY IN
PARTICULAR.

42. QTE. FIRSTLY IT SHOULD BE STATED THAT WE HAVE
UNCOVERED NO EVIDENCE OF CIA FUNDING OF THE NCP AND,
IN FACT, REGARD THIS AS AN APPROACH TOO GAUCHE FOR THE CIA.

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REM QTE. ON THE EVIDENCE UNCOVERED ELSEWHERE WE BELIEVE
THAT FUNDS HAVE FLOWED INTO AUSTRALIA AIMED AT INFLUENCING
AUSTRALIA'S DOMESTIC POLITICAL SITUATION WITH A VIEW TO
PROTECTING AMERICA'S INTERESTS.

44. QTE. THESE INTERESTS WERE PROBABLY MUCH LESS CONNECTED
WITH AUSTRALIA'S INVOLVEMENT IN VIETNAM, A SUBJECT ABOUT
WHICH THE NON-LABOR PARTIES NEEDED NO PERSUASION, THAN THEY

WERE CONCERNED WITH THE CONTINUING EXISTENCE OF AMERICAN BASES IN AUSTRALIA AND THE GENERAL OVERVIEW OF A SIZEABLE INVESTMENT BY THE PRIVATE SECTOR OF THE U.S. IN THE AUSTRALIAN ECONOMY.

45. QTE. THESE ARE NOT SURPRISING INTERESTS AND IT COULD BE SAID THAT IN TERMS OF ECONOMIC INTELLIGENCE THE BRITISH, THE FRENCH AND OTHER NON-COMMUNIST NATIONS, AS WELL AS COMMUNIST NATIONS, ARE EQUALLY ACTIVE.

46. QTE. THE STAGGERING ASPECT OF THIS HAS BEEN THE INCREDIBLE LEVEL OF NAIVETE OF OUR OWN BUREAUCRACY AND THE SINISTER ASPECT HAS BEEN THE ALLEGIANCE DEMONSTRATED AT THE HIGHEST LEVELS TO THE INTELLIGENCE COMMUNITY AND NOT TO THE AUSTRALIAN GOVERNMENT.

47. QTE. THE FIRST POINT IS PERHAPS BEST ILLUSTRATED BY THE FACT THAT AUSTRALIA'S COMMUNICATIONS ROOM IN AUSTRALIA HOUSE, LONDON, HAS UNTIL RECENTLY BEEN MANNED MAINLY BY BRITISH NATIONALS, WHEN IT SHOULD BE OBVIOUS TO EVEN THE MOST SIMPLE MINDED OF OUR BUREAUCRATS THAT THE ECONOMIC INTELLIGENCE FLOWING THROUGH THAT ROOM CONTAINED INFORMATION WHICH SHOULD NOT HAVE BEEN EXPOSED TO THE EYES OF OTHER NATIONALS, ESPECIALLY A NATION WHOSE ECONOMIC INTERESTS DID NOT COINCIDE WITH OURS.

48. QTE. WE HAVE BEEN CRIMINALLY SENTIMENTAL IN OUR BEHAVIOUR WITH THE BRITISH IN ALLOWING THEM TO HAVE ANY OVERSIGHT OF CONFIDENTIAL ECONOMIC INFORMATION AS WE HAVE.

49. QTE. SECOND AND MORE IMPORTANT IS THE ASPECT OF ALLEGIANCE.

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TPM QTE. THE CIA OFFICER WHO MANAGED TO INGRATIATE HIMSELF INTO A CLOSE FAMILY FRIENDSHIP WITH MR. ANTHONY WAS WELL KNOWN TO OUR OWN INTELLIGENCE PEOPLE.

51. QTE. YET AS FAR AS WE CAN ASCERTAIN NO ATTEMPT WAS MADE TO INFORM MR. ANTHONY, WHO BECAME DEPUTY AND OCCASIONALLY ACTING PRIME MINISTER OF AUSTRALIA, OF THE MAN'S CONNECTIONS.

52. QTE. BACK AT CIA HEADQUARTERS THE FACT THAT ONE OF THEIR MEN HAD ESTABLISHED SUCH AN INTIMATE RELATIONSHIP WITH SO SENIOR A POLITICIAN MUST HAVE BEEN REGARDED AS A COUP BOTH FROM THE POINT OF VIEW OF HAVING AN INPUT IN RESPECT OF INFLUENCE AND IN HAVING SUCH A DIRECT IMPRESSIONISTIC SOURCE OF INTELLIGENCE. END QTE.

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